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NOVEMBER 23, 1964

RICE SITUATION
IN MEDITERRANEAN AREA

SPAIN'S IRRIGATED LAND

U.S. TURKEYS MARK UP
ANOTHER GOOD YEAR



FOREIGN AGRICULTURE

Including **FOREIGN CROPS AND MARKETS**

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NOVEMBER 23, 1964

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Our leading article in this issue deals with rice, mainly with the increase in output expected in the Mediterranean exporting countries—Italy and the United Arab Republic.

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The RICE SITUATION in the MEDITERRANEAN

—and its relation to world production and trade in rice

By DEXTER V. RIVENBURGH
*Director for European Operations
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The world rice trade has enjoyed an 8-year period of relative stability, during which time consumption has absorbed both production increases and former surplus stocks. This balance is now being threatened by the possibility that the rice producers of the Mediterranean—Italy, France, Spain, the United Arab Republic—will increase their production of short-grain rice.

Most of the gain in production would probably occur in the Mediterranean's two big exporting countries, Italy and the United Arab Republic, possibly resulting in the area's rice exports, all of short grain, increasing from the current 600,000 metric tons per year to 900,000 or even a million. Although the Mediterranean's exports today account for only about 10 percent of world trade, any increase in them could affect the trade of the United States, Taiwan, and other exporters of short grain.

(By far the largest share of world trade in rice is made up of long grain from such big Asian suppliers as Burma, Thailand, and Cambodia. The United States is also a large supplier of this type of rice.)

Consumption of the short-grain type rice exported by the Mediterranean is, at best, merely holding its own, even when adjusted for population growth. Although market requirements for long-grain rice will keep those for all rice increasing, it is quite possible that the import needs for short-grain will remain static or even decline further.

Another threat to the trade's stability is the policy of the United Arab Republic to price its rice as low as necessary to move it into export channels. Were its production to increase substantially and its low pricing policy to be continued, the UAR could well upset the trade of other suppliers, especially in the European Common Market.

Effect of EEC regulations

As members of the European Economic Community, two of the Mediterranean rice growers—Italy and France—are subject to the Community's regulations on rice. The effect of such regulations and the level of internal rice prices as created by them may have some bearing on what will happen to the production of rice in the Mediterranean area and indirectly on international trade patterns.

There are in both countries systems of price supports to the rice farmer. Those in Italy are higher than in the United States, while those in France are still higher. The final development of a single market for rice in the Com-



Italian rice planters

munity by 1970 will require that there be a uniform price for producers in both France and Italy, which will likely mean a hike in the Italian support prices to levels near those existing in France.

The system of variable levies, which all imported rice must pay and include in the landed costs, will, together with the moveup of producer prices, also tend to create an artificial rice market within the Community, with prices materially above those of the outside world.

Whether the rice regulations of the EEC will result in a shift in these countries' (mainly Italy's) current reliance on non-Member countries to absorb their rice exports remains to be seen. Currently, France exports no rice to EEC members and Italy, only a small amount of brown rice to West Germany. Since 1914, continental Europe has twice been shut off from outside supplies of rice. Although both of these occasions were of relatively long duration, there was no evidence of a shift on the part of consumers to the indigenously produced rice.

Slowing down of French expansion

Commercial production of rice in France is relatively new, having begun in 1947 in the Rhone delta area. The rapid growth in the country's production that was characteristic of the succeeding years, however, appears to be tapering off, as any new gains in acreage will have to come from plantings on land that does not have optimum subsoil conditions for rice culture.

Other indicators of a slowing down of production increases are the problem of getting the necessary hand labor and the likelihood that the EEC support to come into effect after 1969 will be below that now paid in France.



Top left, street vendor peddles cooked rice in Cairo. Above, officials inspecting rice nursery at UAR experiment station. The UAR government is working to expand country's rice production.

In coming years, France can be expected to continue importing from current sources: the island of Madagascar, to supply domestic needs, and broken rice from other areas, to augment insufficient domestic supplies of rice byproducts for industrial use and animal feeding.

Gains likely in Italian output

Italy became an international exporter of rice in the 1930's, about the same time as the Ente Nazionale Risi was established. A state organization, the Ente Risi administers the rice business in Italy as well as being a major determinant of official rice policy. However, during the 1950's, it and other world rice interests began to build up unmarketable surpluses, and since then production and export availabilities have dropped.

Contributing to the declines were the government's control of acreage until the 1964 crop, the competition for labor to carry out the weeding and transplanting made necessary by the country's climatic conditions, the stiff competition from other forms of farm enterprises that seemingly offered a better return, and the shrinking world market for short-grain rice.

Acreage controls were lifted, however, for the 1964 plantings, and farmers have been encouraged, both officially and unofficially, to increase their acreages.

Also serving to encourage rice production in the country is the likelihood that the support price to Italian farmers will rise during the EEC's transition period, as well as the possibility that the EEC will apply subsidies to facilitate the export of indigenously produced rice to other world markets.

Another important factor is the current industrial situation in Italy. If the present pause in industrial growth continues, or if the growth slackens further, then rice culture may go up. Otherwise the continued drainoff of labor will tend to hold things at least partly in balance.

There is a good bit of production that can be added in Italy. If rice acreage were returned to the mid-fifties level of over 900,000 acres, another 150,000 tons would be available for export. Already there has been some move-

ment in this direction, for 1964 plantings, estimated at 750,000 acres, are the largest since 1959 and way above 1953's 589,000.

Should exports be increased, they would probably be thrown onto the world market, as there is little chance of their being absorbed by the EEC. The high prices that will result from rice consumed in Italy itself and the high domestic price of the rice that does move to other EEC countries would, to some extent, offset reduced world prices received for the excess production.

Outlook for Spain and the UAR

The Spanish rice industry, though perhaps the oldest in the Mediterranean area, accounts for an annual export of only about 40,000 tons of short grain rice. The pressures here to increase production will not be as great as in Italy, except when and if Spain becomes a member or a limited partner in the EEC. It is therefore likely that Spanish increases in output in the immediate future will be modest and fairly well in line with general conditions.

The United Arab Republic (as Egypt) became an international exporter of rice during and following World War II, when world supplies were drastically below requirements. Frequent shortages and strong demand for rice in the succeeding years made this product a good and favored foreign exchange earner, with the result that the country in the last couple of years, has been shipping out some 400,000 tons of rice yearly.

Trade with South Africa long before the UAR's rise to prominence as a rice exporter more or less set the pattern for the country's present-day trade. As in the days when Egypt was shipping rice to South Africa in exchange for the cheaper grain—corn—the UAR today exchanges rice for Yugoslav corn and USSR petroleum products.

Despite its large exports, the UAR has had difficulty in establishing permanent markets for its rice because of the poor quality of the product and the lack of good grading standards. Many of the Republic's major markets are in the areas of Asia where quality standards are not perhaps

(Continued on page 16)

U.S. Turkeys Mark Up Another Good Year Abroad

The United States' foreign turkey trade, rising sharply from about 7 million pounds in 1961, scored gains again in fiscal year 1964, when 81 countries bought about 36 million pounds of U.S. fresh-frozen turkey. While the European Economic Community (EEC) nations, and particularly West Germany, took the largest amounts, sales to many other countries continued to rise.

This situation is part of a growth picture with unknown potential. Until recent years, few people outside the three major producing countries—the United States, Canada, and the United Kingdom—had ever tasted turkey. The favorite U.S. holiday fowl was unknown and unavailable in most parts of the world. Since 1958, when the United States began active market development efforts abroad, sales have risen in most years and new countries have been added to the market list. Today, price as well as flavor helps make the bird popular; in Europe prices of competitive veal, pork, and beef have gone up while those of turkey have been relatively stable.

Many turkeys sold overseas are used by hotels and restaurants, whose cooking facilities are suitable for the big turkey. The homemaker abroad prefers 4- to 8-pound birds, and sometimes buys economical cut-up parts.

West Germany—biggest buyer

For the fiscal year that ended June 30, 1964, West Germany's purchases rose once more above the 20-million-pound mark, approaching again its 25.5-million record of fiscal 1962. Although 1962 Common Market levies adversely affected imports of both U.S. broilers and turkeys, an additional levy on broilers, plus high costs of raising poultry domestically, made prices of turkey attractive in relation to both U.S. and German broilers. U.S. turkeys sold delivered at Hamburg only 6 to 8 cents a pound more than U.S. broilers; these in turn sold wholesale cheaper than German broilers.

Making prices more attractive after August 1 this year, a new EEC method of computing levies on cut-up parts has lowered duties on drumsticks and wings from about 14 cents a pound to about 5½ cents.

In the growing Netherlands market, the half-million-pound increase in U.S. turkey imports last fiscal year was equal to the whole of that country's purchases in 1959-60. This outlet, now taking 3.6 million pounds of U.S. turkeys a year, will probably continue to grow, since turkey is popular there for ships' stores and is served in hotels and restaurants. In addition, it is being introduced for home consumption. The Netherlands is also an important transshipment point for the U.S. trade overseas.

Canada's purchases high

The No. 3 customer for U.S. turkeys, Canada, imported 3.5 million pounds last year, almost twice the previous year's purchases. This country, which once took over 10 million pounds a year, is itself a major producer. Last year unusual circumstances prevailed: Canada's own production was down, while demand stayed up. Since turkey imports were liberalized in August 1963, U.S. turkeys have been helping to meet Canada's market needs.

Greater demand in Italy, fourth leading market, has resulted in a steady growth in sales each year since 1960-61,

when that country bought only 1,200 pounds. Imports rose again, from just under 1 million pounds in 1962-63 to almost 2.3 million. Here, active market promotion has helped develop interest, while needed changes in licensing have permitted expanded imports. Another reason for the popularity of turkey in Italy is the rising price of red meats.

Fifth most important market was Switzerland. A slight decline in sales—from 733,376 pounds in fiscal 1963 to 542,836—represented what is believed to be a preference for lower-priced chicken over turkey.

Austrian imports of over a half-a-million pounds last year also reflect a purchasing trend that has been rising steadily from 27,000 pounds in 1960-61.

The United Kingdom, which has been a limited market for several years past, took 441,429 pounds of turkey in fiscal 1964 compared with 333,441 pounds the year before. Here turkey is destined exclusively for hotel and restaurant trade. Because of sanitary regulations, only pre-cooked turkey, usually in the form of turkey roll, may be imported into that country.

Greece, although a small market compared with these major ones, showed a 100-percent increase in turkey purchases—from about 140,000 to about 290,000 pounds.

Japan now second in Far East

Three leading Asiatic markets combined took well over a million pounds of U.S. turkey.

For 1964, Japan's rapid development as a market was the surprise of the Far Eastern scene, with imports at 355,718 pounds compared to only 38,695 pounds in 1963. Japan became the United States' second best turkey customer in the Orient. Market development efforts, particularly through the Tokyo Trade Center, have attracted widespread Japanese attention to the U.S. fowl.

Hong Kong and Singapore increased their purchases, the first from 586,011 to 713,374 pounds, the second from 269,631 to 328,824 pounds. Most of the Oriental purchases were for hotel and restaurant use.

In the Western Hemisphere an important year-around-market is the Bermuda-Caribbean area. Catering heavily to the tourist trade, this complex of islands again took 1.3 million pounds, about the same as the year before. In South America, Peru is the only country buying any substantial quantities of U.S. turkeys. Last year Peru bought 286,000 pounds, more than twice the volume of its purchases the previous year.

New markets created

As in almost every year since the United States began making active marketing efforts, new outlets have been added, which in some cases develop shortly into significant markets for U.S. turkeys.

Statistics show that eleven years ago only four countries were importing turkeys from the United States. Last year, as mentioned earlier, the figure was 81. And in the past 12 months, four Near Eastern and African markets taking their first shipments of U.S. turkeys—Iraq and Jordan, and Kenya and Uganda—were added to the growing list of U.S. turkey buyers, bringing up to seven the total of such new markets.



Spanish land being leveled for irrigation

Spain Planning To Irrigate More Agricultural Land

By IVY W. DUGGAN*
Foreign Agricultural Service

In a move toward modernization of its farm economy, the Spanish Government is placing greater emphasis on the age-old practice of irrigation. During the next few years, it will irrigate some 700,000 more acres of land, making possible increased production of such crops as citrus, grains, sugarbeets, and cotton.

Ancient practice

Irrigation in Spain is almost as old as the country itself. The Romans constructed important irrigation projects; the Visigoths were responsible for the precise legislation on the use of irrigation water, and the Arabs, for the establishment of the Water Tribunal, which even today meets in Valencia on Thursday of every week to adjudicate the farmers' water problems.

Irrigation still commands an important place in the Spanish economy. Over the decade ended in 1962-63, Spain's irrigated land rose some 900,000 acres, from 3.7 million to 4.6 million, and during 1964-67, another 741,000 acres will be added to the total under the government's Four Year Economic and Social Development Plan. This plan earmarks for irrigation around \$800 million, or about 70 percent of the amount going into agricultural development.

The irrigation program is being carried out by two agencies. The construction of dams for hydroelectric and irrigation projects and of main canals is under the direction of the Directorate of Hydroelectric Works of the Ministry of Public Works. The National Institute of Colonization under the Ministry of Agriculture is responsible for planning and determining the feasibility of each project. It is also responsible for construction of secondary canals and villages, land leveling, selection of settlers to be placed on the land, and giving these settlers technical and economic aid. It is thus possible for the Institute to advise and, to

some degree, direct the farmers as to what crops to grow on irrigated land.

Besides this program, there are several explorations underway to determine the supply and availability of subterranean water. If subterranean water economically located for irrigation purposes is found, there will probably be expansion in irrigated land beyond that already planned.

Net profit important

Strong factor in determining crops that will be planted in new irrigation projects is the net income to be derived from the different crops, and how crops have fared in the past on irrigated land.

According to one study made 2 or 3 years ago, the net returns under irrigation have varied widely for specified crops, oranges being the most profitable with a return of \$347.36 per acre, followed by pears with \$271.81. Other big money earners, in order, have been tomatoes, alfalfa (on mechanized farms), cotton, corn, sugarbeets, and wheat.

For both cotton and corn, rapid acreage expansion has been made possible in recent years by the government's maintaining prices to the growers well above world levels. This is not true for oranges, however, as their prices are fully competitive in world markets.

Crops that have performed well under irrigation include wheat, corn, cotton, oranges, and sugarbeets.

More acres of *wheat* are irrigated than any other crop, even though only 6.5 percent of total wheat area in 1962-63 was under irrigation. Virtually all of the increase in wheat acreage over the last decade, however, has been in the irrigated area, which rose during 1951-52/1962-63 by 152,000 acres.

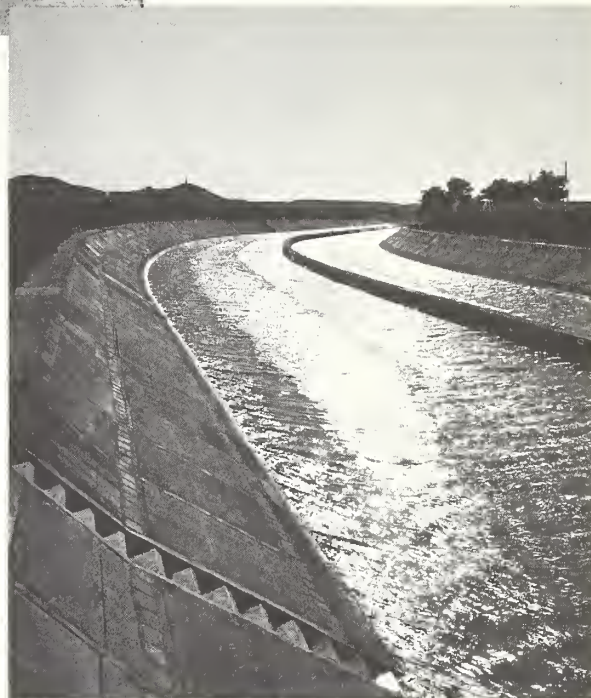
Yields of wheat have been found to about double when irrigation is used. In 1962-63, they were averaging 32.9 bushels per acre against 15.6 on dry land.

Total *corn* acreage has risen considerably over the 11-year period, with irrigated acreage more than doubling, while dry land area showed little change.

* Formerly U.S. Agricultural Attaché to Spain.



Left, Entrepeñas Dam in Guadalajara Province, Spain, provides irrigation water for Spanish farmland. Below, irrigation canal in Huesca Province, and bottom, cross drainage line receiving water.



Corn yields on irrigated land averaged 51.4 bushels per acre in 1962-63, compared with 23.0 bushels on dry land. The difference is considered to be smaller than usual, but this is partially accounted for by the good dry-land yields in northern Spain where rainfall is plentiful.

Cotton acreage increases

Cotton acreage has shown a dramatic 746-acre increase, the gains in dry land being slightly more than those in irrigated land.

Cotton yields on both irrigated and dry acreage, at 0.95 bale per acre and 0.28 have been low, but there has been a determined effort to increase yields in both areas.

Although oranges have been cultivated in Spain for many centuries, orange acreage has continued to expand, rising during the 11-year period from 190,000 acres to 263,000. All of the oranges are grown on irrigated land, and expansion in area devoted to this leading export crop will likely continue.

Sugarbeets have shown strong gains; however, the share of total acreage under irrigation has decreased from 89.2 percent in 1951-52 to 79.2 percent in 1962-63.

Other factors that will influence what crops are grown include demand for a given product, risks involved, and the amount of training needed in irrigation techniques, especially in areas where irrigation has not been a long, well-established practice.

Competition with U.S.

If some of the irrigated land is planted to fruits and vegetables, the United States will probably receive more competition from Spain in world markets for these products. On the other hand, Spain should remain an important market for U.S. corn and other feed grains, with increased demand by the country's growing livestock industry offsetting domestic production gains. There also should continue to be a market in that country for U.S. seed oil for crushing and for some U.S. cotton.

Expansion in the latter has been slowed somewhat owing mainly to a reduction in the price to cotton farmers. Whether the government will continue to maintain the price of cotton to farmers above the levels in world markets appears uncertain at the present time.

India Ups Food-Grain Supports To Spur Production

By HORACE J. DAVIS
U.S. Agricultural Attaché
New Delhi, India

A hopeful note among the recurring reports of food crisis in India is the Indian Government's recent adoption of a new food-grain price policy designed to step up the production and delivery of cereals. As part of a long-term program still largely in the planning stage, support prices to producers of rice, wheat, and jowar (grain sorghums) have been substantially increased for 1964-65.

The new policy, announced by Union Food and Agriculture Minister C. Subramaniam on October 13, stems from recommendations of a committee headed by Mr. L. K. Jha, Secretary to Prime Minister Shastri, which since July has been studying remedies for India's continuing food shortage. Other elements of the policy include ceiling prices for rice at the wholesale and retail levels and—for the first time in several years—support prices for spiked millet, corn, and chickpeas.

Responsibility for administering the new grain price policy has been delegated to the State Governments, which have been asked to organize the necessary enforcement machinery. The Central Government stands ready to purchase any quantities of cereals and chickpeas offered to it by producers at the minimum levels; and if free market prices of rice and paddy show a tendency to rise above the ceiling prices, the government will not hesitate to requisition stocks at those prices. A proposed government-owned food-grains trading corporation will play a key role in both operations.

Minister Subramaniam emphasized that the new prices recommended by the Jha Committee are tentative ones, scheduled to become effective when the fall grain crops are harvested; they will be revised to take into account the findings of the commission on agricultural prices that will be appointed to begin a more comprehensive study of the price problem, probably in January 1965.

New support price levels

For *rice*, the new support prices have been fixed for the various States within a range of 34 to 40 rupees per quintal (equivalent to \$3.24-\$3.81 per 100 lb.). These prices are from 13 to 18 percent above the government procurement prices that were in effect last season. They are also, as the Minister pointed out, markedly above average prices received by farmers in most areas during the past three seasons; thus, they include an element of incentive for increasing production.

Although prices prevailing last season in some deficit areas like Kerala were somewhat higher than these new support levels, the benefit went mostly to large producers and traders who had capacity to store stocks. With minimum prices now assured for the 1964-65 season, the Minister said, the average farmer in deficit areas will stand to gain by selling his produce in the market.

To stabilize paddy prices at reasonable levels, the government has set maximum prices for paddy at assembling points—including mills' and dealers' premises—one rupee higher than the new producer prices. It has also fixed

maximum prices for bagged rice at the assembling points and wholesale and retail outlets.

Minister Subramaniam, in announcing these prices, pointed out that the government has provided a reasonable margin of profit to mills, 1.5 to 2 percent profit for wholesalers, and 4 to 7 percent profit for retailers. He expects the all-India wholesale rice price index to decline but the overall level of retail rice prices to stay at about the current levels. The new retail prices reflect a slight increase over prevailing prices for the surplus producing States of Orissa, Punjab, and Madhya Pradesh and a decrease for most other States.

For *wheat*, producer support prices have been fixed at the equivalent of \$2.60 per bushel for red wheat, \$2.83 for common white wheat, and \$3.06 for superior white wheat—increases of 31, 32, and 33 percent over last season's support prices. No maximum prices at wholesale and retail outlets have been fixed yet. The Minister indicated that the government was considering an increase in the retail price of imported wheat, currently sold through the fair-price food shops at \$2.30-\$2.52 per bushel. The purpose of this action would be to counter the criticism that supplying imported wheat at a concessional price has discouraged production, and also to reduce the amount of subsidy—likely to total some \$126 million during 1964—paid on sales of this wheat.

For *jowar*, spiked millet, corn, and chickpeas the government suggested ranges within which it asked States to set producer prices for the 1964-65 season. Except for jowar, none of these products has had a support price for several years. The range proposed for jowar—about \$2.03 to \$2.05 per bushel—represents a rise of about 68 percent over the support price that had been paid to producers during the 1963-64 season.

Outlook for the program

The new price policy marks an important and bold step forward toward establishing producer incentives, which are considered essential for increasing India's agricultural output. Much less useful under current circumstances may be the attempt to enforce ceiling prices for rice at wholesale and retail levels. With a few exceptions, supply and demand have set the rice price level in recent months, despite State and Central Government efforts to lower the ceilings. Since producer prices have now been raised, the expected decline of 10 to 14 percent at the wholesale stage will be achieved mainly by cutting into the profit margin of wholesalers. With a proposed profit margin (1.5 to 2 percent) that trade sources consider inadequate, the desired degree of cooperation from the trade is doubtful.

For the urban consumer, no immediate substantial relief is in sight from the new program until the number of fair-price food shops is considerably increased, regular supplies of food grains are maintained at these shops, and strict measures are taken to ensure their efficient operation. Thus, the success of the program will depend largely on the adequacy of government enforcement machinery. Government at both State and Central levels is working to get the new price system off to a hopeful beginning.

Bakers Training Program in Japan Drawing Wide Participation



Western Wheat's Hutchinson (l.) and FAS's Seeborg inspect mixer used by pupils in Yokohama.



Typical of Japan's training courses was that in Nagoya for 100 bakers who learned to use new flour blend made with U.S. wheat.

The Japanese baking industry is showing keen interest in the intensive training program for bakers being conducted in Japan by the U.S. wheat industry and FAS, according to Western Wheat Associates' Far East director James Hutchinson.

In Washington with a Japanese wheat team which he accompanied on a recent tour of the U.S. wheat industry, Mr. Hutchinson reported — "There's a good possibility the program will have to be extended beyond the 11 courses originally planned if all the requests for instruction are to be filled. With lecture and demonstrational facilities limited, it has been necessary to keep the number of students attending each class to 100."

Emphasis on U.S. wheat usage

Launched last May in cooperation with the All Japan Bakers Association, the training program is designed to instruct Japanese bakers on the proper use of flour blends containing 50 percent Hard Winter wheat, which is about 20 percent more than most Japanese blends contain at present. The U.S. experience has been that increased profits accrue to the baker who uses blends high in H.W., providing he also employs the baking techniques recommended for the flour in question.

Mr. Hutchinson estimates that the majority of Japan's large bakers will have attended the courses by the end of the year. So far the 2-day courses being given in key Japanese cities have been attended by around 1,000 Japanese baking technicians, with an additional 400 signed up to receive instruction. The students are mostly middle level personnel headed for top positions in medium-sized and large bakeries, although school lunch bakers and representatives of prefectural food offices have also been invited to participate in the program.

Expanding baking industry

Mr. Hutchinson said that the need for the training program grew out of the recent expansion of Japan's baking industry.

"The rising trend toward consolidation into larger and more efficient units, mechanization, and automation—all of which permit greater quality control over the end products—have made possible the use of flours with lower gluten content, blends that contain as much as 50 percent U.S. H.W.," Mr. Hutchinson said.

"Bread costs less to produce with H.W., and the quality is as good or better than when hard spring wheat is the principal ingredient," Mr. Hutchinson said. "For best results,

however, bakers must be taught the correct procedures for using the 50-50 blend—a need that is being filled by the training courses. Our aim is the satisfied customer, one who is getting the maximum benefits from using United States' wheat."

Teaching methods

Technicians attending the courses do actual test-baking, using equipment provided by the All Japan Baking Association. Part of the instruction consists of lectures given by prominent members of the Japan Institute of Baking, the Japan School of Baking, and the major Japanese milling companies.

Basic text being used in the courses is "Technical Research on the Quality and Usage of U.S. Wheat in Japan," prepared by the Japan Institute of Baking after a year of testing flour blends containing various proportions of H.W. and hard spring wheats. The report recommends the 50-50 formula (half U.S. H.W., half spring wheats) as being best suited for economical production of high-quality bread products.

"This was the first study ever made to determine the proper uses of all classes of U.S. wheat for making Japanese bread products," Mr. Hutchinson said. "Equally significant is that

the study was made by the Japan Institute of Baking, the recognized leaders of Japan's baking industry, whose endorsement of the 50-50 formula has aided in the success of U.S. efforts to promote greater utilization of U.S. wheat.

"One of the biggest obstacles we had to overcome when planning these courses was persuading the Japanese Government to allow flour millers to produce the 50-50 blend," Mr. Hutchinson said. "In addition, millers selling competitive brands were hesitant to produce a flour with pre-set, acknowledged blending ratios. As a result of Japanese Baking Institute research, however, the government not only supported our position, but also procured the wheat for the mills."

It is too early to assess the effect of the bakers training program on U.S. wheat sales to Japan, but the project is viewed as a big step in helping maintain and increase high-level wheat sales to Japan, No. 1 customer of U.S. wheat industry. H.W. accounted for more than half of the record 2 million metric tons sold to Japan in the year ending June 30, with the remainder consisting principally of U.S. Western White wheat.

Uphill battle

"Expanding our wheat sales to Japan has been an uphill battle," Mr. Hutchinson said. "When Japan was receiving U.S. wheat under Public Law 480 in the mid-1950's, the United States supplied most of the country's wheat imports. But as Japan began buying its wheat with hard currencies around 1958, the U.S. share of the market started to fall off, primarily because Western White wheat was the only type of wheat the United States had to offer at competitive prices. In addition, Japan was growing more soft wheat at home.

"Enabling U.S. wheat to regain its former share of the Japanese market on a dollar basis was the new availability of U.S. H.W. at West Coast ports beginning in 1960. This meant that U.S. H.W. could now compete in the Japanese market as an ingredient in Japanese bread products," he said.

Mr. Hutchinson emphasized that requisite to further increases in U.S. H.W. sales to Japan will be the assurance of a steady supply.

"This past year, the Japanese Food Agency was unable to get all the high-protein H.W. it wanted because of interrupted flow of H.W. to the U.S.

West Coast. The Japanese—who like to maintain an established pattern of weekly purchasing—will look to other wheat sources whenever U.S. H.W. is not available," he pointed out.

Commenting on the importance to U.S. wheat sales of improving the quality of all types of wheat shipped to Japan, Mr. Hutchinson said the new wheat standards which went into effect last June will measurably help U.S. sales prospects in Japan. (The new standards, in general, reduce the amount of nonmillable material permitted in various wheat grades.)

Buying under new standards

"Like other foreign importers of U.S. wheat, the Japanese did not immediately shift over to buying U.S. wheat under the new standards, and purchases to date have not been large enough to make a fair appraisal of how the standards will affect U.S. wheat sales to Japan," he said. "We do know, however, that many Japanese users are confident that U.S. wheat quality will improve as a result of the new standards."

Among other factors which will be all-important to an expanded U.S. wheat trade with Japan, Mr. Hutchinson cited the continued efforts to better understand the differences between U.S. and Japanese testing and grading procedures through the two-way exchange of technicians and scientists. Advancements in U.S. plant breeding will also assume a greater role in trade expansion as the U.S. wheat industry strives to produce wheat strains and varieties tailor-made to Japanese specifications.

Improvements in promotion

Finally, a bigger Japanese market for U.S. wheat, according to Mr. Hutchinson, will depend on the ability of market development planners to devise new and better ways to increase wheat utilization in Japan. Present promotions range from cake mix demonstrations at leading department stores to training seminars for bakers of dry noodles and biscuits and crackers. Between now and June 1965, at least three new projects will be launched. Plans have been firmed up for a research study by the Japan Institute of Baking on the proper use of malt flour—an enzyme added to H.W. that results in improved bread quality—and for a sandwich promotion, now being tried on a pilot basis in select Japanese cities.

Barter Contracts Up in First Year of Revised U.S. Program

Barter contracts negotiated in 1963-64 for the procurement of foreign materials and services in exchange for U.S. agricultural commodities totaled \$169.7 million under the USDA's revised barter program. This compares with \$39.4 million in 1962-63 before program changes had been in effect a full year.

The Commodity Credit Corporation made a total of 93 contracts in fiscal 1964. These provided for \$76.6 million worth of goods and services for the Defense Department and the Agency for International Development; \$81.1 for materials for the supplemental stockpile of strategic materials; and \$12 million for the partial conversion to barter of an Atomic Energy Commission dollar contract to purchase uranium.

Of the total, about \$18 million represents costs of processing imported ores in the United States.

The revised barter program, announced in February 1963, emphasizes the exchange of agricultural commodities for various goods and services that U.S. Government agencies had heretofore purchased abroad with dollars. The move was designed to help stem the outflow of United States gold and dollar reserves.

Swiss Contribution to RISO's Rice Promotion Fund Doubled

Swiss rice importers—in a move to step up consumer advertising of rice—have voted to double their financial contribution to RISO, an organization composed of these importers and the rice marketing groups of Italy and the United States—Switzerland's two principal suppliers.

RISO was formed 5 years ago to promote rice consumption on a non-partisan basis. Members—including the U.S. Rice Export Development Association, an FAS cooperator—share advertising expenses. The Swiss Government supports RISO as part of its program to encourage the rotation of stocks of essential foodstuffs.

Under the RISO promotional program, the U.S. percentage share of the Swiss rice market has more than doubled from the 1956-60 average of 8 percent to 19.6 percent in 1963.

Seed Grower Calls on U.S. Industry To Adjust to Changes in Trade

Harry D. Kinder, General Manager of Caladino Seeds, Willows, California, urged the 1964 Farm Seed Conference "to be ready to adjust to meet the changing times" if the seed industry expects to capitalize on growing opportunities for overseas sales.

Speaking on "International Relations in the Seed Industry" at the American Seed Trade Association gathering this month in Kansas City, Missouri, Mr. Kinder emphasized that foreign buyers will be demanding new types of forage plants "as fragmentation farming so common in the developed nations gives way to a highly mechanized type of agriculture. Varieties that have been suitable to such small-scale farming—where the farmer nurses each blade of grass—may not be adapted to commercial agriculture," he said.

He added, "With the development of the OECD Seed Scheme and its expanded member nation participation, it is becoming increasingly clear that our foreign customers will be changing their buying habits, and will

be demanding (specific) genetic and mechanical qualities."

Mr. Kinder said that the demands of foreign markets will bring about shifts in U.S. production patterns.

"U.S. acreage devoted to seed production must compete with many other crops, and only the efficient and most favored areas of production are likely to stay competitive in world markets."

"Oregon and Idaho Ladino clover seed growers, for example, apparently could not compete with California growers, who were able to produce efficiently and compete on world markets; today nearly 100 percent of U.S. Ladino comes from California."

A major international development the U.S. seed trade will have to adjust to is the Common Market's seed regulations, Mr. Kinder said.

"In reviewing incomplete and yet unofficial lists of acceptable seed varieties of several EEC countries, one finds very few U.S. varieties. The lists are made up mostly of varieties developed and grown in member states. Such rigid regulation of admitted va-

rieties . . . could seriously hinder our future sales," Mr. Kinder added.

The American Seed Trade Association, representing most U.S. seed growers, has gone on record as favoring the reduction of tariffs and other trade restrictions, U.S. and foreign.

Mr. Kinder pointed out that the United States "has consistently imported more grass and legume seed than it has exported," he said.

Soybean Council Announces Changed Overseas Operations

Major changes are planned for the soybean market development program in a move to consolidate and strengthen overseas operations, the Soybean Council has announced.

The SBC's Executive Vice President Ferenc Molnar said the changes are based on "the need to concentrate on areas and activities with the greatest sales potential, and to put to proper use available funds and manpower."

Effective December 31, soybean promotion will be administered from a new Washington headquarters, replacing that in Waterloo, Iowa. The European headquarters in Rome will be closed, along with all country offices except those in Spain, West Germany, and Belgium—with the latter to handle promotion in the Benelux countries, Denmark, France, Greece, Israel, Norway, Portugal, Sweden, and the United Kingdom.

A South American office in Bogotá will direct activities in Chile, Colombia, Ecuador, Peru, Venezuela.

Mexico Seeks Meat Markets

A representative of the Mexican National Cattlemen's Association and a Mexican meat broker have returned from a trip to Europe to gauge the demand for Mexican beef. They visited Italy, France, England, Spain, Germany, and Israel.

The Association has confirmed a recent newspaper report that negotiations were underway for the sale of 1,000 metric tons of Mexican beef carcasses to Israel.

The United States usually is Mexico's best export market for beef and these actions represent efforts to broaden Mexico's export outlets.

Japan Emerges As Major Market for U.S. Chicks

Changes within the Japanese poultry industry have led to Japan's becoming sixth best customer for U.S. baby chicks. U.S. exports in 1963 of 1.2 million parent stock chicks, valued at \$1.1 million, were 10 times those of 1962, and prospects appear bright that total 1964 shipments will top this record.

U.S. exports to Japan for the first 9 months of this year are running 53,000 above the 1963 period. In both years, virtually all of the Japanese imports were of U.S. origin, primarily because of the outstanding quality and uniformity of U.S. stock.

At the heart of this export growth are the efforts of the Japanese poultry industry to upgrade and make more productive its egg laying flocks. There are an increasing number of large commercial poultry farms in Japan that are in a position to buy the more expensive laying chicks produced by Japanese hatcherymen from imported U.S. breeding stock. Also helping to create demand for high-quality stock is the increasing egg consumption.

Current production emphasis is on

egg production, and about 75 percent of the U.S. chicks imported are parent stock which will produce the layer chicks. Production of meat-type birds, however, is occurring at a much slower rate, since many commercial hatcheries and most Japanese farmers still rely on surplus cockerel chicks from their egg-type flocks to supply Japan's expanding poultry meat market.

Japan's requirement for breeding chicks is about 2 million a year, with domestic production supplying about half, U.S. imports the remainder. It appears that for the next few years an increasing share of this total hatching egg-flock requirement will be supplied by the United States, as Japan will probably continue to use U.S. breeding stock to improve the efficiency of its industry.

To capitalize on expert opportunities, several major U.S. poultry breeders—including Heisdorf & Nelson, Hy-Line, Babcock, DeKalb, and Kimber—have either established franchised Japanese agents or joint-venture projects with Japanese farms.

Turkey, EEC Association Agreement Ratified

The Italian Parliament recently ratified the Association Agreement between Turkey and the EEC. Italy was the last one of the EEC countries to approve the Treaty of Association.

The agreement is now scheduled to become effective December 1, 1964, at which time preferential tariff quotas for tobacco, dried raisins, dried figs, and certain nuts will be available to Turkish imports into the EEC.

U.S. Beef Exports Rise

U.S. exports of all types of beef and veal in the first 8 months of 1964 totaled 29.5 million pounds compared with 16 million a year earlier.

Almost 10 million of the 13.5-million-pound increase this year was due to larger shipments to Israel, Canada, and France. Sales to all countries through August were regular commercial transactions.

U.S. EXPORTS OF BEEF AND VEAL

Country	January-August	
	1963	1964
	1,000 pounds	1,000 pounds
Canada	9,176	11,390
Israel	118	6,273
Bahamas	1,390	1,933
France	192	1,657
Jamaica	925	1,388
United Kingdom	357	1,081
Surinam	734	981
Nansei Islands	368	643
British Guiana	127	448
Bermuda	377	422
Netherlands Antilles	218	317
French W. Indies	8	310
Leeward and Windward Islands	253	306
Belgium	---	244
Netherlands	61	235
Barbados	141	175
Sweden	13	170
Mexico	146	158
Philippine Republic	52	141
Germany, West	4	139
Pacific Trust Territory	55	134
Norway	68	105
Trinidad	215	92
Liberia	132	83
British Honduras	89	81
French Guiana	60	72
Others	724	536
Total	16,004	29,514

Costa Rica Ships Cattle to Italy

Costa Rica has exported about 5,000 head of cattle to Italy and plans further shipments later this year.

Costa Rican firms are considering the sale of frozen boneless beef to Italy and other European markets. Up to now practically all surplus Costa Rican beef has gone to the U.S. mainland and Puerto Rico.

Larger Guatemalan Tallow Production May Reduce Imports

A new rendering plant, with an annual capacity of about 2 million pounds, has begun operations in Escuintla, Guatemala. It is expected to increase that county's tallow output by about 25 percent and may reduce import needs for

the next year or two; however, Guatemalan demand is rising.

U.S. exports of tallow to Guatemala in 1963 totaled nearly 23 million pounds compared with 13 million in 1962. Exports in January-August this year, at 13.5 million pounds, were moderately less than a year earlier, as shown in the following tabulation:

	Mil lb.
1960	11.3
1961	12.0
1962	12.8
1963	22.7
Jan.-Aug.	
1963	16.3
1964	13.5

Brazil's Tobacco Exports Up Sharply

Brazil's exports of leaf tobacco totaled 68.6 million pounds in January-June 1964—more than double the 28.7 million shipped out in the first half of 1963. Exports to all major markets were larger this year.

Shipments to Spain—largest outlet in January-June 1964—totaled 16.5 million pounds compared with only 1.1 million last year. West Germany purchased 9.9 million, compared with 8.2 million. Other principal markets this year included France 8.9 million, the Netherlands 7.6 million, the USSR, 7.0 million, and the U.S. 5.4 million.

Average export prices per pound this year for leaf exports to major destinations, in terms of U.S. equivalents, were Spain 14.1 cents, West Germany 18.6, France 20.2, the Netherlands 23.2, the USSR 23.5, and the United States 32.9. The average export price for leaf to all destinations for January-June 1964 was 21.5 cents.

BRAZIL'S EXPORTS OF LEAF TOBACCO

Destination	January-June	
	1963	1964
	1,000 pounds	1,000 pounds
Spain	1,122	16,519
Germany, West	8,150	9,882
France	2,751	8,907
Netherlands	4,487	7,638
USSR	2,756	7,040
United States	3,037	5,412
Denmark	41	3,729
Switzerland	1,441	3,212
Uruguay	1,003	1,687
Belgium-Luxembourg	1,285	1,420
Germany, East	346	1,272
Algeria	564	750
Others	1,683	1,164
Total	28,666	68,632

Bank of Brazil.

Australian Cigarette Output Down

Cigarette output in Australia during the first half of 1964, at 9,370 million pieces, was down 3.7 percent from the 9,735 million pieces produced in the 1963 period.

Output during fiscal 1964 totaled 20,002 million pieces—up slightly from the 19,657 million produced in fiscal 1963. Production in fiscal 1965 may not equal last year's level, owing to an increase on August 12, 1964, in excise taxes. The new excise rate added about 3.7 U.S. cents to the former 36.4 to 39.2 cents per pack of 20.

India's Exports of Flue-cured Tobacco

India's exports of flue-cured tobacco in the first 7 months of 1964 totaled 74.7 million pounds, up 7 percent from the 70.1 million shipped out in January-July 1963.

Major export outlets included the USSR 33.3 million, the United Kingdom 27.6 million, Yugoslavia 1.3 million, and the Netherlands 1.2 million.

The average export price for flue-cured was equivalent to 39.4 U.S. cents per pound.

INDIA'S EXPORTS OF FLUE-CURED TOBACCO

Destination	January-July	
	1963	1964
	<i>1,000 pounds</i>	<i>1,000 pounds</i>
USSR	19,540	33,325
United Kingdom	29,856	27,610
Yugoslavia	10,316	1,288
Netherlands	939	1,132
Hungary	97	773
Singapore	1,886	615
Belgium	1,262	452
Hong Kong	316	427
Germany, East	441	359
Others	5,440	8,695
Total	70,093	74,676

Japan's Cigarette Sales Increase

For the first 9 months of calendar 1964, sales of cigarettes produced in Japan totaled 113.7 billion pieces—up 5.5 percent from the 107.8 billion sold in January-September 1963. Sales of brands containing U.S. tobacco increased 25.5 percent from 36.5 billion to 45.8 billion.

Sales of Hi-Lite, a filter-tipped brand, rose from 15.5 billion to 25.6 billion. This brand contains 15 percent U.S. leaf tobacco.

Mexico's Tobacco Crop Larger

The 1964 tobacco harvest in Mexico is now placed at 89.5 million pounds—up 18 percent from the previous harvest. The increase was due mainly to higher yields rather than to a larger planted area. Production of all kinds of tobacco, except burley, showed gains from 1963.

The 1964 flue-cured harvest was 13.9 million pounds—more than double the 6.0 million for 1963. Planted area for flue-cured rose from 4,200 acres last season to 12,400 this year. Burley production is placed at 14.3 million pounds, compared with 16.0 million last year, although the acreage rose from 14,800 acres to 17,300. The light sun-cured crop totaled 35.3 million pounds, compared with 30.7 million last year. Despite a sharp cut in planted area, outturn of dark air-cured was reported as 26.0 million, compared with 22.6 million in 1963.

Taiwan's Cigarette Output Down Slightly

Cigarette output in Taiwan during the first half of 1964, at 6,012 million pieces, was down slightly from the 6,065 million pieces produced during the same period last year. However, production of cigars rose to 206,000 pieces from 127,000 and smoking tobacco, at 325,000 pounds, was up 6.4 percent from the 305,000 pounds produced in January-June 1963.

Dominican Republic's Tobacco Exports Up Sharply

The Dominican Republic's exports of cigar leaf tobacco in the first 6 months of 1964 totaled 28.5 million pounds

—nearly four times as large as those for the first half of 1963. This year the United States and Puerto Rico took 10.2 million pounds, compared with 3 million a year ago. Other major markets in the first 6 months of 1964 included France 4.6 million pounds, the Netherlands 3.4 million, Canary Islands 2.4 million, and West Germany 2.3 million.

Average export prices per pound for leaf shipments to major destinations were as follows: the United States 30 cent, France 17, Netherlands 18, Canary Islands 21, and West Germany 20.

DOMINICAN REPUBLIC'S EXPORTS OF CIGAR LEAF

Destination	January-June	
	1963	1964
	<i>1,000 pounds</i>	<i>1,000 pounds</i>
United States ¹	2,969	10,176
France	30	4,565
Netherlands	1,285	3,385
Canary Islands	---	2,364
Germany, West	1,154	2,337
Belgium	81	1,918
Gibraltar	177	688
Spain	1,232	675
Others	921	2,414
Total	7,849	28,522

¹ Includes Puerto Rico.

Dutch Imports of Nonfat Dry Milk Increase

The Netherlands became the world's largest importer of nonfat dry milk for the January-July 1964 period with the purchase of 186 million pounds. Receipts were up from the 66 million pounds of the 1963 period and were well above the 139 million for all of 1963.

The United States supplied 86 percent of this year's imports. Of the remaining 26 million pounds, France sent 17 million and West Germany 5 million.

West Germany Imports More Cheese and Butter

West Germany imported 163 million pounds of cheese in the first 7 months of 1964, an increase of 6 million pounds over the same period of 1963. Shipments from France rose to 29 million pounds from 16 million, and those from Denmark rose by 2 million pounds to 50 million. Slightly larger quantities were also received from Finland, Switzerland, and New Zealand; slightly smaller quantities came from Belgium and Norway. Shipments from the Netherlands declined by more than 8 million pounds to 60 million.

Imports of butter were up 2 percent to 31 million pounds. This increase was brought about largely by heavier shipments from New Zealand, 6 million pounds compared with 3 million a year ago, and from the United States, 3 million pounds compared with 376,000. Moderately heavier supplies from France, Norway, and Poland outweighed smaller ones from Denmark and the Netherlands, both of which shipped less than half their 1963 levels.

Finland Produces More Rapeseed

Finland's 1964 domestic oilseed production, limited to turnip-rapeseed, is unofficially estimated at 7,600 metric tons compared with 6,300 in 1963. Most of the increase reflects expansion in acreage, unofficially estimated to be up to 20,000 acres from 17,000 in the previous year. Sowing of this winter crop takes place largely in the July-August period of the preceding year.

Oil production from the 1964 rapeseed crop is estimated at 2,800 tons, refined basis. This represents only about one-seventh of the domestic edible oil consumption, most of which is accounted for by the margarine industry.

Bulk of this consumption must be supplied by imports of soybeans, which in fiscal 1964 totaled 52,387 tons; copra, 8,493; and rapeseed, 2,538. On an oil-equivalent basis, these amounted to 25,100 tons.

Suez Canal Shipments Decline in September

Northbound movements of oil-bearing materials through the Suez Canal in September were 19 percent below those of August (*Foreign Agriculture*, Nov. 2) and 10 percent below those of September 1963.

Shipments during the U.S. marketing year ended September 30, 1964, were 2 percent below those of the previous marketing year. Increased shipments of copra, soybeans, castorbeans, and palm kernels were offset by declines in peanuts, cottonseed, and "other" items.

NORTHBOUND SHIPMENTS OF OIL-BEARING MATERIALS THROUGH THE SUEZ CANAL

Item	September		October-September	
	1963	1964	1962-63	1963-64
	<i>Metric tons</i>	<i>Metric tons</i>	<i>Metric tons</i>	<i>Metric tons</i>
Soybeans ¹ -----	5,002	14,136	95,200	171,859
Copra -----	62,692	66,916	719,781	796,085
Peanuts -----	24,110	7,173	282,807	201,943
Cottonseed -----	10,311	5,714	216,914	117,801
Flaxseed ² -----	768	1,179	35,714	35,264
Castorbeans -----	6,120	1,873	62,378	71,086
Palm kernels -----	2,045	2,089	29,415	42,843
Others -----	10,612	10,995	134,276	110,323
Total -----	121,660	110,075	1,576,485	1,547,204

¹ 1 metric ton of soybeans equals 36.7 bu. ² 1 metric ton of flaxseed equals 39.4 bu.

Suez Canal Authority, Cairo, Egypt.

Soybean shipments in September totaled 519,000 bushels compared with 1,732,000 of August. Shipments during the October-September 1963-64 year totaled 6,314,000 bushels against 3,498,000 in 1962-63—an increase of 81 percent.

NORTHBOUND SHIPMENTS OF SOYBEANS THROUGH THE SUEZ CANAL

Month and quarter	Year beginning October 1				
	1959	1960	1961	1962	1963
	<i>1,000 bu.</i>	<i>1,000 bu.</i>	<i>1,000 bu.</i>	<i>1,000 bu.</i>	<i>1,000 bu.</i>
July -----	1,176	184	180	1,070	1,854
August -----	808	1,470	1	331	1,732
September -----	772	1,102	146	184	519
October-December -----	8,598	919	919	12	19
January-March -----	13,999	6,062	4,082	1,328	1,484
April-June -----	8,635	1,213	239	573	706
July-September -----	2,756	2,756	327	1,585	4,105
October-September --	33,988	10,950	5,567	3,498	6,314

Suez Canal Authority, Cairo, Egypt.

Syrian Olive Oil Outturn To Increase

According to trade sources, Syria's outturn of edible olive oil in 1964-65 is forecast at 21,000 metric tons, up sharply from the 12,000 tons of 1963-64 and the 17,000 tons in 1962-63. The expected rise reflects an increase in the number of fruit-bearing trees as well as improved weather conditions.

Although production fluctuates widely from year to year

because of irregularities in rainfall and temperatures, as well as olive losses caused by *Dacus* fly infestations, Syrian olive oil production is expected to trend upward during the next few years because of annual increases in the number of producing trees.

The Syrian domestic market for edible fats and oils is expanding. This growth reflects a moderate rate of population growth as well as increased prosperity. Olive oil consumption is expected to satisfy a portion of this increase.

Stocks of edible oil from the 1963 olive crop on November 1, 1964, were estimated at about 1,000 tons. Thus, with production forecast at 21,000 tons and domestic consumption increasing to an estimated 8,000 tons, the exportable surplus would be 14,000 tons. Syria—a traditional exporter of edible olive oil—shipped 6,544 tons in calendar 1963.

In 1963, retail prices for olive oil of 0.5 to 2.0 percent acidity averaged £3.0 per kilogram (34.0 U.S. cents per lb.) while oil of 2.0 to 4.0 percent acidity averaged £2.15 per kilogram (24.4 U.S. cents per lb.). Prices this year are down significantly (15 to 20 percent), reflecting the record Mediterranean Basin outturn in 1963-64.

Canada's Oilseed Crops Estimates Revised

On the basis of yields indicated on October 15, estimates of most Canadian oilseed crops have been revised downward (*Foreign Agriculture*, Oct. 26, 1964), according to the November 6 release of the Dominion Bureau of Statistics. However, record production levels are still indicated for rapeseed, soybeans, and sunflowerseed.

CANADIAN OILSEED ACREAGE, YIELD, AND PRODUCTION

Item and year	Flaxseed	Rapeseed	Soybeans	Sunflower-seed	Mustard-seed
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>
Acreage:					
Average 1955-59 ---	2,593	389	245	36	95
1963 -----	1,682	478	228	38	155
1964 -----	1,916	700	231	82	74
Yield per acre:					
Average 1955-59 ---	8.7	14.2	25.3	545	785
1963 -----	12.6	17.5	21.9	948	893
1964 ¹ -----	9.8	15.8	30.2	482	645
Production:	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>
Average 1955-59 ---	22,544	5,508	6,187	19,477	74,701
1963 -----	21,116	8,360	5,002	36,038	138
1964 ¹ -----	18,855	11,068	6,976	39,750	48

¹ As indicated on the basis of conditions on or about Oct. 15. Dominion Bureau of Statistics, Ottawa.

Flaxseed production, now placed at 18.9 million bushels, is 11 percent less than last year's outturn and one-sixth less than the 1955-59 average. Sown acreage increased 14 percent, but average yields were almost 3 bushels less than last year's average. Despite the smaller crop, total supply on August 1 was larger than a year earlier because of large carryover stocks. Consequently, exports in the current marketing year are expected to surpass last year's sizable volume.

Rapeseed production, at a record 11.1 million bushels, exceeded the 1963 outturn by one-third and was double the 1955-59 average. An increase in prices to producers stimulated an acreage expansion from last year of almost one-half, but the average yield per acre was 1.7 bushels less than that of last year. Prices are lower this year, largely because of the substantial carryover on August 1,

plus prospects of the record outturn, and exports are expected to exceed last year's reduced level.

The *soybean* crop is estimated at a new high of 7.0 million bushels, about 40 percent above that of last year and one-eighth above the 1955-59 average. Acreage increased slightly, and the average yield, at 30.2 bushels, was 8.3 bushels above last year's. Exports in the current marketing year, largely to the United Kingdom, and imports, largely from the United States, are expected to approximate those of last year.

At a record 40 million pounds, *sunflowerseed* production in 1964 exceeded last year's crop by 10 percent and was more than double the 1955-59 average. Acreage more than doubled that of 1963, but average yields declined by more than one-half.

Mustardseed production dropped sharply to only 48 million pounds, about one-third last year's crop. Acreage declined by one-half and the average yield, by one-fourth.

Canned Fruit and Juice Prices in London

Selling prices in London (landed, duty paid) of selected canned fruits and juices are given in the following table:

Type and quality	Size of can	Price per dozen units			Origin
		Oct. 1963	July 1964	Oct. 1964	
CANNED FRUIT		U.S.	U.S.	U.S.	
Apricots, whole, unpeeled:		dol.	dol.	dol.	
Choice -----	303	2.31	2.52	2.38	U.S.
Halves:					
Choice -----	2½	(¹)	3.32	3.26	Australia
do -----	2½	(¹)	3.08	3.04	S. Africa
do -----	303	2.48	2.54	2.80	U.S.
do -----	15 oz	(¹)	1.51	1.58	Spain
Fancy -----	2½	(¹)	3.22	3.26	S. Africa
Standard -----	2½	3.64	(¹)	2.82	U.S.
do -----	303	2.20	(¹)	2.34	U.S.
Peaches, halves:					
Choice -----	2½	3.58	3.41	3.64	U.S.
do -----	2½	(¹)	3.08	3.08	S. Africa
do -----	2½	(¹)	3.32	3.26	Australia
do -----	No. 1	(¹)	1.96	1.94	S. Africa
do -----	No. 1	(¹)	2.10	2.06	Australia
do -----	303	2.42	2.29	2.43	U.S.
Fancy -----	2½	(¹)	3.26	3.22	S. Africa
do -----	2½	(¹)	3.54	3.46	Australia
do -----	No. 1	(¹)	2.03	2.01	S. Africa
do -----	No. 1	(¹)	2.20	2.17	Australia
Standard -----	2½	3.41	(¹)	3.52	U.S.
Pears, halves:					
Choice -----	2½	4.76	(¹)	4.60	U.S.
do -----	2½	(¹)	3.32	3.36	S. Africa
do -----	2½	(¹)	3.46	3.40	Australia
do -----	303	3.08	(¹)	3.13	U.S.
do -----	No. 1	(¹)	2.14	2.10	Australia
do -----	15 oz.	(¹)	2.03	2.06	Italy
Fancy -----	2½	(¹)	3.46	3.50	S. Africa
do -----	2½	(¹)	3.68	3.57	Australia
Fruit cocktail:					
Choice -----	303	2.66	2.48	2.59	U.S.
do -----	8 oz.	1.53	1.45	1.49	U.S.
do -----	15 oz.	(¹)	2.00	2.00	Spain
Pineapple slices:					
Fancy -----	2½	3.22	(¹)	3.22	Taiwan
Standard, spiral -----	20 oz.	1.82	1.82	1.92	Malaya
Standard, RC -----	16 oz.	1.63	1.70	1.72	Malaya
CANNED JUICE					
Single strength:					
Orange, sweetened -----	No. 2	1.92	2.03	2.00	West Indies
do -----	19 oz.	1.89	2.00	1.96	Israel
do -----	43 oz.	4.06	4.48	4.44	Israel
do -----	46 oz.	4.34	(¹)	4.52	West Indies
Grapefruit, sweetened -----	No. 2	1.82	(¹)	1.86	West Indies
do -----	19 oz.	1.82	1.86	1.91	Israel
do -----	46 oz.	3.92	(¹)	4.41	West Indies

¹ Not quoted.

Israel To Expand Wine Production

It appears that Israel will follow a government committee's recommendation to up the country's wine grape area from the current 11,600 acres to 18,000 through yearly 1,200-acre increases, beginning in 1965.

The committee also proposed to stimulate production of wine grapes, which currently is not very profitable, by guaranteeing premium prices to farmers for high-quality wine grapes. Additional investment in wine production facilities, with the aim of reducing costs and improving quality were also recommended.

It is hoped that when the new vineyards are in production wine exports can be raised from the current \$1 million worth a year to \$3 million worth.

Egypt Forecasts Larger 1964-65 Cotton Crop

The first official estimate of Egypt's 1964-65 cotton crop, now being harvested, is 2,166,000 bales (480 lb. net). This is an increase of 7 percent from the 1963-64 final official estimate of 2,029,000 bales.

Output of extra long staple cotton (over 1¾ inches), estimated at 983,000 bales, is 4 percent larger than in 1963-64, while production of other staple lengths is forecast to be up about 9 percent.

The area devoted to cotton this season is estimated at 1,672,000 acres—down slightly from 1,689,000 acres in 1963-64 and the annual average of 1,848,000 acres in the past five seasons.

EGYPTIAN COTTON PRODUCTION BY STAPLE LENGTH AND VARIETY

Staple length and principal varieties	1963-64 ¹	1964-65 ²	Percentage change
Extra long staple, over 1¾":	1,000 bales ³	1,000 bales ³	Percent
Menoufi, Giza 45, and Giza 68 --	946	983	+4
Medium long staple, 1-9/32" to 1¾":			
Giza 47, Dendera, and Giza 67 --	464	535	+15
Medium staple, 1¼" and under:			
Ashmouni and Giza 66 -----	587	625	+6
Subtotal -----	1,997	2,143	+7
Scarto (unclassified cotton) -----	32	22	-31
Total -----	2,029	2,166	+7

¹ Final estimate. ² First estimate. ³ Bales of 480 pounds net. Government of Egypt.

Zambia Launches Sugar Project

A new sugar company, to be known as the Ndola Sugar Company Nakambala Estates, has been established in Zambia near Mazabuka, where the first 300 acres are currently being planted to cane. This £2.5-million (US\$7-million) project is to produce sugar for local consumption and export.

It is hoped that the new sugar factory will be in operation by 1967, by which time it is expected that 5,000 acres will have been planted.

New Publication Issued on FAO

How the Food and Agriculture Organization of the United Nations works, is in a report recently published by the Foreign Agricultural Service.

The title and number of the publication are: *FAO: Its Organization and Work and United States' Participation*. FAS-M-93-Revised. It may be obtained without charge by writing to Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.

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Mediterranean Rice Situation

(Continued from page 4)

as high as in other parts of the world, but even here, repeat sales have been few.

Cuba has arisen as a market for the Republic's rice since being cut off from the United States. But here again, the sales have resulted in relatively poor acceptance by the consumers partly owing to their preference for long-grain rice.

The UAR will undoubtedly give a prominent place to rice under its plan for the development of some 2 million additional acres in farm production. Whether its gains in rice production will be reasonable and pointed toward supplying the rapidly increasing domestic food needs, or whether it will follow the course of least resistance and abruptly increase world supplies of short-grain rice, is important to future trade in rice.

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